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CENTRAL AMERICA

\$15 million in U.S. funds for 'contras' 'disappeared' from bank, Barnes says

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WASHINGTON — As much as \$15 million of the \$27 million approved last year for humanitarian aid to the "contra" rebels of Nicaragua cannot be accounted for by government auditors, Representative Michael D. Barnes, D-Md.-8th, said yesterday.

An earlier accounting by the General Accounting Office concluded that \$7 million had been deposited in Miami bank accounts, but the disbursement of the funds could not be traced farther.

Now, after additional data provided by the Central Intelligence Agency and the State Department's Nicaraguan Humanitarian Assistance

Office, which administers the aid funds approved by Congress last year, the GAO estimates that \$15 million "disappeared from sight" through the Miami accounts, according to Mr. Barnes, who heads a subcommittee that oversees Central America policy.

The bank accounts cited by the GAO belonged to several brokers authorized by regional equipment suppliers to act as their agents and to receive payments for materials provided to the rebels.

But the GAO found that there was no "audit trail" to verify if payments were actually made for supplies, to whom the payments were made, or if the supplies ever actually reached the rebel forces at their camps in Honduras.

The House Foreign Affairs Committee had demanded that the CIA and the State Department turn over additional documents after the initial GAO report, and Mr. Barnes said he believed that all available information had now been turned over to the panel and the GAO investigators.

However, he said, even the additional materials had failed to document what happened to the money after it was deposited in the Miami accounts.

"This whole operation is completely out of control," said Mr. Barnes, an opponent of contra aid. The House is expected to reconsider an administration request for \$100 million in additional aid to the rebels, including military aid.

Chances for getting that aid appeared slimmer this week after Republican backers in the House said they were having difficulty getting enough support to revive the measure.

Mr. Barnes said that the State Department office in charge of the aid program had permitted the U.S. aid money — which was by law limited to humanitarian purposes, such as food and clothing — to become comingled in the bank accounts with funds given to the contras by private groups that have provided weapons to the rebels.

"It is therefore quite possible for U.S. funds to have been used for the purchase of weapons and other items specifically prohibited by law," Mr. Barnes said. He said his subcommittee would continue to investigate the handling of the aid money.

Administration officials and congressional supporters of aid to the contras have maintained that the GAO's inquiry failed to take into account the difficulty of providing supplies in remote and battle-torn areas where the rebels maintain their bases. GAO auditors did not travel to the region to investigate supply shipments and purchases.

In addition, there has been secrecy involving some of the supply shipments, aid supporters say.